Lesson 4 :
Initial Administration

What We Will Learn

- Review contract
- Review MOCAS data input
- Verify contractor's intentions relative to PBPs
- Identify Government PBP Team
- Determine need for Post-award Orientation Conference

Review the Contract

- Does basic contract or modification incorporate FAR Clause 52.232-32, Performance-Based Payments?
- Is the contract or Indefinite Delivery Task Order fixed price (or has fixed price CLINs) and has dollar threshold for contract financing been met?
  - If “no” to either, contact customer and discuss reason(s) for including clause
  - If use of clause deemed inappropriate, request removal via modification

Review the Contract (cont'd)

- Does contract provide for both Progress Payments and Performance-Based Payments?
  - If yes, contact customer to request a modification to correct the contract
  - Contracts cannot provide both types of financing [FAR 32.1003]

Review the Contract (cont'd)

- Does contract specify method of PBP liquidation, e.g., percentage rate or set dollar amount(s)?
  - Dollar amounts need to be converted to a rate
- Are special payment distribution instructions included, if required (normally in Section G)?

Review MOCAS Inputs

- Compare information contained in basic contract and modifications to data entered into the Mechanization of Contract Administration Services (MOCAS) database
  - Standard ACO Coded Remark (R9) “38”

Review MOCAS Inputs (cont'd)

- Have performance-based payment rates been properly input into MOCAS?
- Have PBP liquidation rates been properly input to MOCAS?

Review MOCAS Inputs (cont'd)

- NOTE: DCMA Trusted Agents are authorized to input and/or correct this data in MOCAS, when necessary
- Input/change must be documented via Form 1797

Verify Contractor Intentions

- Does the Contractor plan to invoke PBP clause?

Government PBP Team

- ACO
  - Team Lead
  - Champion of both Government's and contractor's interests
  - Ensures all critical aspects of PBP administration

Government PBP Team (cont'd)

- Contract Administrator
- Price Analyst
- Technical Specialists
- Customer

PAOC

- Determine need for Postaward Orientation Conference
- Ensure all parties understand
  - What the events are
  - How the events will be determined to be completed
  - What is the value associated with each event
  - Payment and liquidation process

What We Learned

- How to review the contract
- How to review MOCAS data input
- The need to verify the contractor's intentions relative to PBPs
- Who should be on the Government PBP Team
- Requirements for a Postaward Orientation Conference